



Office of Environment, Safety, and Health

Suspect/Counterfeit-Defective Items Awareness Training for DOE and Contractor Employees

**OFFICE OF CORPORATE PERFORMANCE ASSESSMENT (EH-3)
OFFICE OF ENVIRONMENT, SAFETY AND HEALTH**

Helping the field succeed with safe and reliable operations.





Suspect/Counterfeit-Defective Items



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Suspect/Counterfeit-Defective Items

Million-dollar bill user pleads ignorance, blames Treasury Atlanta (AP)

A woman who tried to use a fake \$1 million bill to buy \$1,675 worth of merchandise at Wal-Mart said it was all just a misunderstanding — she thought the bill was real.

The United States Treasury does not make \$1 million bills.

"You can't keep up with the U.S. Treasury," said Alice Pike, speaking from jail.

Pike, 35, was arrested last week at the Wal-Mart. The bill was a novelty item that can be bought at gag shops. Pike told police she got it from her estranged husband, who is a coin collector.

Pike said she first tried to buy the merchandise with two Wal-Mart gift cards. But the cashier told her the cards only had a total value of \$2.32. That's when Pike says she pulled out the \$1 million bill.

"All I've got is this," Pike said she told the cashier.

"I wasn't trying to pass off the bill," she said. "That's ridiculous."

A police report says Pike tried to pay for the items with the fake bill and even asked for change.



Alice Pike arrested last week at a Wal-Mart in Georgia. Newton County Sheriff's Dept. via WSB-TV, AP Posted 3/11/2004





Why is Suspect/Counterfeit Items (S/CI) Training Important?

- ◆ S/CI can compromise safety-related or mission-sensitive systems
- ◆ DOE has a poor history of dealing with S/CI (quick fix and ignore)
 - SSDI (1996) and Temperform USA (2002) investigations point to significant deficiencies in the identification, notification, and investigative processes.





Commitment & Accountability

- DOE top management is committed to effective implementation of the new S/CI process
- Deputy Secretary assigned EH the lead responsibility to ensure an effective S/CI process and will hold EH accountable
- EH will work with the line programs to the contractor level to make this happen





SCI Process Goals

- ◆ Ensure installed items and components meet intended function and operability requirements
- ◆ Ensure that S/CI are quickly identified
- ◆ Work toward eliminating S/CI from DOE operations





Role of DOE Field Management

- ◆ Read and take appropriate actions on Safety Alerts and other S/CI notifications (including flowdown to the contractors)
- ◆ Formally investigate crosscutting or high priority S/CI or defective items as requested by PSOs.
- ◆ Report to PSOs investigation results for high priority S/CI or defective items.
- ◆ Report S/CI found via ORPS and take necessary corrective actions
- ◆ Report S/CI found to the local IG
- ◆ Incorporate S/CI requirements in contracts (DOE O 414.1A and updates, Quality Assurance)
- ◆ Include S/CI in Facility Representative surveillance
- ◆ Assure DOE and contractor self-assessments address S/CI





Use of Strong Contract Language

- ◆ If suspect/counterfeit parts are furnished under this Agreement and are found on the _____ site, such items shall be impounded by _____. The Seller shall promptly replace such items with items acceptable to the _____ and the Seller shall be liable for all costs relating to impoundment, removal, and replacement. _____ may turn such items over to the U.S. Office of the Inspector General for investigation and reserves the right withhold payment for the suspect items pending the results of the investigation.





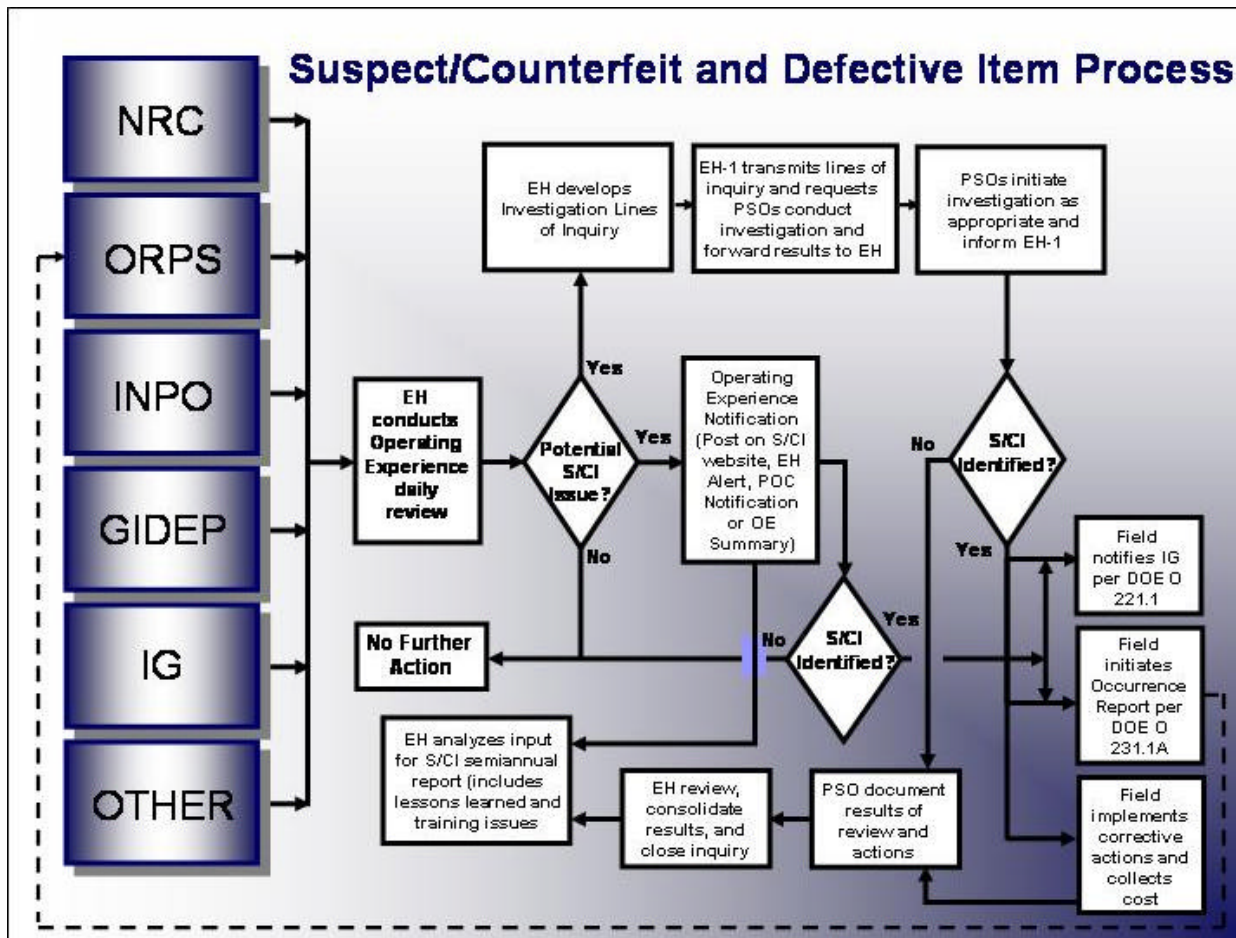
Role of Operating Contractor Management

- ◆ Assure personnel trained and competent to carry out S/CI responsibilities
- ◆ Assure vendors qualified (Procurement personnel)
- ◆ Assure input for S/CI determinations (QA/Engineering)
- ◆ Assure materials meet specifications and S/CI identified before entering operations (Receipt/Inspection personnel)
- ◆ Assure flowdown of information within contractor and subcontractor organizations
- ◆ Assure oversight of subcontractor S/CI process implementation
- ◆ Report S/CI-related events (ORPS, IG, LL, PAAA/NCR) and take corrective action
- ◆ Include implementation of S/CI requirements in self-assessments





Suspect/Counterfeit and Defective Item Process Flow Chart





S/C-DI Trends for 2005

- ♦ Fasteners continue to be most reported S/C-DI item type (> 80%)
(e.g., failed forklift steering bolt [DCS 858])





S/C-DI Trends for 2005

Increase in reports concerning:

- Faulty vehicle barriers

[e.g., ES&H Safety Bulletin 2005-2/DCS 887 - ORPS, DCSs 909/936 – INPO]



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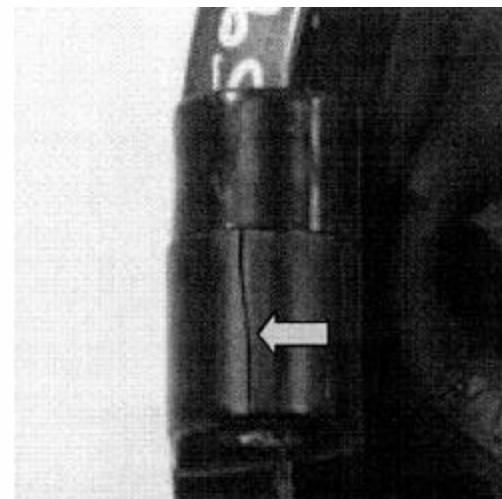




S/C-DI Trends for 2005

Increase in reports concerning:

- faulty respirator – respirator components
 - Defective Scott airline hose [Safety Bulletin 2005-5/DCS 883 – ORPS], defective facemask lens frame [DCS 894 – e-mail] pictured below
 - MSA Ultra Twin Filter Housings failure [DCS 922 - ORPS], MSA respirators falling apart [DCS 924 - ORPS]





S/C-DI Trends for 2005

- ◆ No reported fatalities or major accidents from S/CI
- ◆ Increase in reports concerning:
 - Faulty weapons – weapon components (e.g., ruptured Bushmaster rifle – [DCS 888 - INPO], broken Bushmaster rifle bolt – [DCS 899 – INPO, DCS 876 - INPO] pictured below)
 - Also, fragmenting ammo [DCS 870 – INPO], defective weapons assembly protective blanket [DCS 920 – ORPS]





Office of Corporate Performance Assessment Activities

- ◆ Internal S/CI Process Guide developed and implemented
- ◆ Directives revised to reflect the new S/CI process requirements
- ◆ S/CI web site established to share information and solicit feedback (<http://www.eh.doe.gov/paa/sci>)
- ◆ EH will continue to report internally and externally on the progress of S/CI process implementation





Suspect/Counterfeit-Defective Items Website

Address <http://www.eh.doe.gov/sci/> Go Links

U.S. DEPARTMENT OF ENERGY
ENVIRONMENT, SAFETY AND HEALTH

HOME Department of Energy Site Map Search ES&H Security and Privacy Notices Disclaimer

Hot Topics

- Accident Type A and B Investigations
- Electrical Safety Campaign

Suspect/Counterfeit Defective Items

The Department of Energy is committed to ensuring that items and components installed in safety-related or mission critical applications meet their intended function and operability requirements. Therefore, the Office of Environment, Health and Safety has established a process to identify Suspect/Counterfeit (S/CI) or Defective Items (DI) that are deemed safety significant and broadly applicable to DOE facilities, and to see that action is taken. ([S/CI-DI process guide](#)).

S/CI-DI Website Access: Access to password protected areas of this website is available to DOE employees and contractors, and other Federal/military employees with a need-to-know. Such persons **must register for a password in this area to gain access** to S/CI and DI information.

Documents downloaded from the password-protected areas of this web site may be made available to the DOE Federal/military and DOE contractor community. These documents are not permitted to be made available to the general public via an Internet web site. Suppliers are included in the definition of DOE contractor for the purposes of distributing EH password-protected Suspect/Counterfeit Item (SCI) information, Safety Alerts, or Safety Bulletins. In order to ensure adequate control of this information, the cognizant DOE or contractor person is to monitor suppliers who attempt to register for access to the EH SCI web site and notify EH-3 when those parties no longer supply DOE. This will enable EH to promptly discontinue supplier access to protected areas. All parties with access to the password-protected areas of the EH web site are to exercise due diligence to maintain control of information.

- **S/CI** contain items in which a defect appears to be due to misrepresentation of the item by the vendor, supplier, distributor or manufacturer. Archived S/CI are also available.
- **DI** DI contain items in which the defect appears to be due to an unintentional error in the manufacturing process. Defective items are often recalled by their manufacturers. Archived DI are also available. The link to defective items will contain certain recalls from the U.S. Consumer Product Safety Commission (CPSC) deemed significant and applicable to DOE operations. CPSC is charged with protecting the public from unreasonable risks of serious injury or death from more than 15,000 types of consumer products. You can find information on over 4,000 product recalls using the various searches at: <http://www.cpsc.gov/cpscpub/prereel/prereel.html>
- **Safety Bulletins** may contain S/CI or DI in which a higher level of concern has been identified and various degrees of action are required.
- **Safety Alerts** may contain S/CI or DI in which a higher level of concern has been identified and various degrees of action are required.
- **Upcoming Events** contains information on training, conferences, and other S/CI-DI related events.
- **References** contain a variety of S/CI-DI related documents including training material, subject matter experts, technical documents, statutory information, and published S/C-DI related articles.
- **Topical Search** provides for searches of S/CI-DI posted on this website by keywords.

Latest News

- Suspect/Counterfeit Item Televideo Conference, September 15, 2005 - Washington, DC (08/18/2005)
- DOE O 414.1C Issued June 17, 2005 and the FAQs are Available Online! (08/09/2005)
- DOE Action Plan - Lessons Learned on the Columbia Space Shuttle Accident and the Davis-Besse Reactor Pressure-Vessel Head Degradation Event (08/08/2005)

More News

Events

- Beryllium Particulates and Their Detection Symposium (11/08/05 - 11/09/05)
- Radiation Protection Workshop 2005 (11/01/05 - 11/03/05)
- Human Performance Improvement (HPI) Workshop - REGISTRATION LIMITED!!!! (09/14/05 - 09/15/05)

Information for...

- Lessons Learned
- Daily Occurrence Reports
- Safety Concerns

Suspect/Counterfeit - Defective Items Home

- Suspect/Counterfeit Items
- Defective Items
- Safety Alerts
- Safety Bulletins
- Upcoming Events
- Annual Reports
- References
- Topical Search
- S/CI-DI Process Guide
- S/CI Awareness Training Manual
- Quality Assurance Home
- Performance and Quality Home

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S/C-DI Website Updates

- ◆ S/C-DI website registrant users approaching 300 – numbers continue to increase, but at a slower rate in 2005 (~30 new registrants in 2005)
- ◆ Safety Bulletins – new in 2005. Encompass all safety issues, not just S/C-DI.
- ◆ Safety Alerts - encompass all safety issues, not just S/C-DI.
- ◆ Issued Safety Bulletins and Alerts bear new description block (right).

Special Operations Reports are issued to initiate management actions in response to events whose subject matter represents significant departmental safety concerns.

Environment, Safety and Health Alerts are issued to initiate immediate action on potentially significant safety issues.

Environment, Safety and Health Bulletins are issued to share information and recommend actions on potential safety issues.

Operating Experience Summaries are issued to share lessons learned information, operating experience information, and best practices from significant events or important individual DOE activities.





Office of Corporate Performance Assessment (EH-3) S/CI Contacts

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ORPS Reporting of S/C-DI

Requested Information not found in DOE Order 231.1A for ORPS

- Manufacturer/supplier/vendor
(include contact, phone number, website)
- Model/part numbers
- Quantity found
- Why item is S/C-DI
- How used
- Photos, if possible





S/CI Manufacturer Markings/Grademarks

- ♦ “J,” “KS,” and “K” manufacturer markings still popping up on fasteners
- ♦ Item still remains S/CI regardless of position of suspect manufacturer markings (e.g., centered vs. off to the side)
- ♦ If you cannot trace the item back to its origins, item remains, at minimum, suspect





S/CI Manufacturer Markings/Grademarks

- ◆ Crosby Shackle counterfeit – circulating in Europe and Africa (authentic Crosby on left)
 - a) Crosby name embossed per Crosby logo, b) should see CE mark, c) 45-degree angle markings, d) pin stamped on head with traceable ID number (www.imca-int.com/safetyflashes)





Fastener Grademarks

- ◆ 15 USC 80 (Fasteners) does not discuss grademarks, but does discuss consensus standards
- ◆ Check against consensus standards for grademark requirements
 - e.g., J429 standard for automotive and related industries up to 1 ½” steel bolts, screws, screw and washer assemblies, studs, U-bolts. Below grade 5 (plus grade 8.1 studs) no grademark required. However, all bolts and screws shall bear the manufacturer identification symbol.





Basis for being more restrictive than Fastener Quality Act

- ◆ Fastener Quality Act sets the minimum acceptable national set of requirements
- ◆ Due to the variability and often unique hazards posed by DOE operations, engineering specifications for items in purchase orders may be more stringent than regulatory requirements or standards





OK to Buy Foreign?

- ◆ Need to evaluate whether foreign or domestic items meet specifications (i.e., acquisition and inspection)
- ◆ China tops the list of countries that present us with manufacturer/supplier S/C-DI-related problems





Marking Installed S/CI Bolts to Prevent Re-Use

- ◆ Good Practice - Some sites are taking a “use-as-is” approach, i.e., items are painted to prevent re-use by others (e.g., Y-12), and are considered to be acceptable by the site for use in the current application
- ◆ However, some sites are transporting such items (e.g., grade 5 “KS” locking bolts) to other sites without notifying the receiving site. Each site determines whether the item is acceptable under their requirements





Distinction Among Nonconforming FAA items, PAAA NCRs, and DOE S/CI

- ◆ DOE S/CI are items suspected of an intent to defraud or clearly supported by evidence to indicate an intent to defraud. Also, they can be the result of regulatory non-compliance
 - Under Federal Aviation Administration, non-conforming items are equivalent to DOE S/CI. Example - falsely certifying that aircraft parts meet specifications
 - Under Price-Anderson Amendments Act, nonconforming items can be out of compliance with requirements such as those in the QA rule (10 CFR 830). Example - falsely certifying that welders are qualified per specifications, hence the welded item may not meet specifications. However, PAAA only addresses the civil perspective of regulatory noncompliance. Hence, if there are indications of criminal activity (e.g., intent to defraud), the PAAA staff can refer the issue to the Department of Justice for action





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